

2006 Social Security/SSI Information

- o Tax Rate*: Employee and employer each -- 7.65% (6.20% - OASDI, 1.45% - HI)
 Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)
 * Social Security tax for employers and self-employed can be partially offset under income tax rules.
- o Maximum Taxable Earnings Base: OASDI-- \$94,200; HI-- No limit
- o Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 5,840.40	No limit
Self-employed:	11,680.80	No limit
- o OASDI Covered Workers (in millions, 2006 est):

	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	151.3	16.4	160.9
- o Percent of workers in paid employment or self employment who are covered: 96%
- o Estimated Worker/Beneficiary Ratio: 2006: 3.3 to 1 2041: 2.0 to 1
- o Earnings Required for a Quarter of Coverage: \$970; (\$3,880 for four)
- o Coverage Thresholds 2006: Domestic Employment: \$1,500 Election Workers: \$1,300
- o Retirement Test Exempt Amounts:
 - No test after attaining full retirement age (FRA)—i.e., age 65 and 8 months for those attaining age 65 in 2006
 - For pre-FRA months in year attaining FRA: -- \$33,240 annually, \$2,770 monthly (\$1 for \$3 withholding rate)
 - Under FRA --\$12,480 annually, \$1,040 monthly (\$1 for \$2 withholding rate)
- o Supplementary Medical Insurance Premium: \$88.50
- o Substantial Gainful Activity: \$860/mo. nonblind, disabled; \$1,450/mo. blind;
- o Trial Work Period Service Month: \$620/mo.
- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2006)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$656 of AIME, plus	150% of first \$838 of PIA, plus
32% of AIME over \$656 thru \$3,955, +	272% of PIA over \$838 thru \$1,210 +
15% of AIME over \$3,955	134% of PIA over \$1,210 thru \$1,578, +
	175% of PIA over \$1,578

(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)
- o Average Monthly Benefits:

	<u>12/04</u>	<u>12/05</u>
Retired worker:	\$ 955	\$1,002
Retired worker and aged spouse:	1,574	1,648
Disabled worker:	894	938
Disabled worker, spouse and children:	1,496	1,571
Aged widow(er):	920	966
Widowed mother/father and 2 children:	1,950	2,049
- o Benefits for 2006 Retirees (estimated):

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 65 + 6 months)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner (45% of avg. earnings)	\$ 808.30	\$ 609	\$ 814.40	\$ 814
Scaled medium earner	1,331.80	1,003	1,341.90	1,341
Maximum earner	2,030.00	1,530	2,053.20	2,053

- o Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Scaled low earner (45% of avg. wages): 55%; Scaled medium earner: 41%; Maximum earner: 27%

- o Number of OASDI Beneficiaries (as of 12/05):

--Total OASDI beneficiaries:	48.4 million
--Retired workers and family members:	33.4 million
-Retired workers:	30.4 million
--Spouses:	2.5 million
--Children:	0.5 million
--Survivors of deceased workers:	6.7 million
-Aged surviving spouses:	4.4 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	8.3 million
-Disabled workers:	6.5 million
-Spouses:	0.2 million
- Children:	1.6 million

- o Number of OASDI Children Beneficiaries (12/05):

--Total:	4,024,924
-Children under age 18:	3,129,506
-Students aged 18-19:	126,877
-Disabled Children aged 18 or older:	768,535

- o COLA: Increase payable in January 2006 benefits – 4.1 percent

- o Special Minimum PIA (12/05):

Approximately \$34.10 per year of coverage over 10 years; highest special minimum PIA = \$682.70 (30 years/coverage)

- o Minimum Earnings for Year of Coverage:

	<u>2005</u>	<u>2006</u>
--Special Minimum:	\$10,035	\$10,485
--Windfall Elimination Provision:	\$16,725	\$17,475

- o Full Retirement Age Schedule — by Year of Birth

1938 - 65/2 mos.		1942 - 65/10 mos.		1957 - 66/6 mos.
1939 - 65/4 mos.		1943-54 – 66		1958 - 66/8 mos.
1940 - 65/6 mos.		1955 - 66/2 mos.		1959 - 66/10 mos.
1941 - 65/8 mos.		1956 - 66/4 mos.		1960+ - 67

- o Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
up to 50%	\$25,000 - \$34,000	Individual
	32,000 - 44,000	Joint
up to 85%	\$34,000 +	Individual
	44,000 +	Joint

- o Average Wage Level: 2004: \$35,649; 2005: \$36,600 (est.) 2006 : \$38,137(est.)

- o OASDI Administrative Expenses (FY 2005):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 2.4	\$2.3	\$4.6
Percent of Benefit Payments	0.5%	2.7%	0.9%

- o SSI Payment Standard: \$603 individual, \$904 couple (effect.01/06)

- o Number of SSI Beneficiaries and Average Payments (11/05):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,135,953	\$ 436
Aged -----	1,221,547	\$ 359
Blind & Disabled -----	5,914,406	452
SSI Beneficiaries by Age:		
Under 18 -----	1,041,406	\$ 513
Age 18-64 -----	4,091,524	453
Age 65 and Over -----	2,003,023	361

- o SSI Expenditures FY 2005 (excludes accelerated payment due 10/01/05)

Federal SSI payments ----- \$35.5 billion
 Fed. Administered State Supplements ----- 4.2 billion

- o Number of people receiving monthly benefits from SSA (11/05):

-OASDI Benefits only ----- 45.9 million
 -SSI Benefits only ----- 4.6 million
 -OASDI and SSI Benefits Concurrently -- 2.5 million
 Total ----- 53.0 million

- o Program Accuracy

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2004
 -- 99.5% of payment outlays without an overpayment
 -- 99.8% of payment outlays without an underpayment
 SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2004
 -- 93.6% of payment outlays without a preventable overpayment
 -- 98.7% of payment outlays without a preventable underpayment
 DDS Accuracy Rate for Initial Disability Decisions – FY 2004
 -- 96.4% - Overall performance accuracy rate

- o OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2005 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2004	\$658	\$502	\$156	\$1,687
2005 (est.)	\$690	\$527	\$163	\$1,850

- o Key dates from 2005 OASDI Trustees Report: (using intermediate assumptions)

2015 OASDI assets peak at 418 percent of expenditures.
 2017 Expenditures exceed tax income for the first time since 1983.
 2027 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
 2041 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 74% of the expected benefits.

- o Estimated long-range deficit: 1.92 percent of taxable payroll.

- o Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (55.0 million calls handled in FY 2005)

- o SSA Online: <http://www.socialsecurity.gov> (41.0 million visits to this website in FY 2005)

- o Congressional Relations Staff: (410) 965-3929

- o OIG/SSA Fraud Hotline: 1-800-269-0271